Thomas P. Vartanian

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Practice Areas

Banking and Financial Institutions > Financial Services M&A > Corporate > Corporate Governance > Finance > Financial Restructuring > Financial Services and Investment Management > FinTech > Litigation and Arbitration > Mergers and Acquisitions > Private Equity >

Thomas P. Vartanian is a corporate counselor, regulatory advisor, litigator and deal maker who over four decades has represented a wide variety of financial services clients before federal and state regulatory agencies. Both in the government and since, Mr. Vartanian has handled many ground breaking transactions and litigations impacting financial services companies' regulation and powers. He has regulated and represented Government Sponsored Enterprises for four decades. Mr. Vartanian was one of the finalists interviewed to be President Trump's choice as the first Vice Chairman for Regulation of the Board of Governors of the Federal Reserve.

Mr. Vartanian last served in government in the Reagan Administration, where he was General Counsel of the Federal Home Loan Bank Board (now part of the Office of the Comptroller of the Currency) and the FSLIC (now combined with the FDIC). In that role, he authorized the receivership,

sale or liquidation of more than 430 failed institutions, and approved the merger of hundreds of additional institutions, many of which represented the first done on an interstate or inter-industry basis . He drafted landmark legislation enacted by Congress, authored dozens of regulations, initiated numerous enforcement actions and developed the D&O liability policy that the FDIC uses today with regard to failed institutions. Prior to that, he served in the Office of the Comptroller of the Currency as Special Assistant to the Chief Counsel and Senior Trial Attorney.

Mr. Vartanian has consistently been recognized over the years as one of the leading practitioners in his field by publications such as *Chambers*, *The Legal 500*, *IFLR 1000* and *The Best Lawyers in America*. *Chambers USA* notes his clients' view him as "one of the best financial services lawyers in America," and an attorney who is "highly regarded by the federal regulators" and who "brings unparalleled experience and judgment to difficult decision-making both as a deal-maker and regulatory guru." In 2015 Mr. Vartanian was named a BTI Client Services All-Star, recognized as one of 354 lawyers nationwide for excellence in client service. He was also named "Washingtonian of the Year" in 2008, based on his charitable work in the D.C. metropolitan area. Mr. Vartanian has been an adjunct professor of law teaching banking and electronic commerce law at Georgetown, George Washington and Boston University Schools of Law.

Mr. Vartanian is an author of the Dechert White Paper predicting changes in financial regulation from the Trump Administration entitled **An Annotated Agenda for Reform of the Federal Regulation of Financial Institutions**. He has authored numerous books and articles and is a frequent lecturer and media commentator on the financial services industry. Mr. Vartanian's book publications include:

- *The Bank Investor Survival Guide* (2016)
- *The Volcker Rule: Commentary and Analysis* (2014)
- *The Bank Holding Company Guide: New Rules of the Road for Banks and Their Investors* (2009)
- *Equity Investments and Controlling Acquisitions Involving U.S. Financial Institutions* (2007)
- *Banker's Pocket Guide to Information Security* (2005)
- *21st Century Money, Banking and Commerce* (1998)
- *The Fair Lending Guide* (1995)

EXPERIENCE

M&A

- **Wells Fargo**'s acquisition of the banking assets of GECC.
- **Federal Credit Union** bid proposal to the NCUA to acquire Montauk Credit Union (in Conservatorship).
- **Capital One**'s US$9 billion acquisition of ING FSB.
- **Bank of Ireland**'s €1.1 billion recapitalization by five U.S. private investors.
- **Citadel LLC**'s sale of Omnium LLC to Northern Trust Bank.
- **Equity Bancshares Inc.**'s acquisition of First Community Bancshares.
- **Bank of America**'s preferred stock investment in and acquisition of Countrywide Financial .
- **Merrill Lynch**'s US$1.3 billion acquisition of the First Franklin subprime mortgage business of National City Bank.

Contested Acquisitions

- **Independence Federal Bank**'s response to a proxy contest and ensuing litigation in federal district court.
- **Abigail Adams Bank**'s response to a proxy contest and ensuing litigation in federal district court.
- **DFCU Financial**'s successful defense against a proxy contest and related litigation in federal and state courts.

Open Bank Recaps & Acquisitions

- S**terling Financial Corp.**'s US$730 million recapitalization by Thomas H. Lee Partners, L.P., Warburg Pincus Private Equity X, L.P. and other private investors.
- **Hampton Roads Bankshares'** US$275 million recapitalization by private investors.
- **Citadel LLC**'s 19% equity investment, US$3.1 billion asset-backed security purchase, rebuttal of control, debt funding and subsequent exchange transactions involving E* TRADE Financial Corp.
- **Northeast Bancorp**'s merger/recapitalization transaction led by a consortium of private equity and hedge fund investors.
- **Doral Financial Corp**.'s recapitalization by a consortium of private equity investors led by Bear Stearns Merchant Bank.

Failed Bank & Credit Union Acquisitions

- **Montauk Credit Union**'s sale by the NCUA as conservator on behalf of an unsuccessful bidder.
- **IndyMac Federal Bank**'s sale by the FDIC to Paulson & Co., Inc., JC Flowers & Co. and other private investors.
- **BankUnited**'s sale by the FDIC to private investors.
- Investments in acquisition companies to acquire failed banks from the FDIC, including NBH Holding Corp., Community & Southern Bank, Bond Street Holdings, Inc., First Michigan Bank, and Blue Ridge Holdings.

Litigation Regarding Regulatory Authority

- ***ICBA** v. NCUA* (Challenge to NCUA member business loan rule)
- **MetLife v. Financial Stability Oversight Council** (Challenge to designation of MetLife as a SIFI)
- **Perry Capital v. Jacob J. Lew (**Challenge to legality of conservatorship of Fannie Mae and Freddie Mac)
- **Anchorage Capital Group Inc. et al v. Deutsche Bank, Inc**. (FDIC receivership challenge)
- **RTC v. Cohen** (D&O liability asserted for bank failure)
- **Texas Savings Community Bankers v. Federal Housing Finance Board** (Permissibility of FHLBank mortgage partnership program)
- **Fidelity Federal Savings v. FHLBB** (Shareholder suit challenging bank closure)
- **Fidelity Fed. S. & L. v. De la Cuesta** (Mortgage due on sale rulemaking challenge)
- **IBAA v. Heiman** (APA rulemaking challenge)
- **U.S. v. First National Bancorp** (Bank antitrust case)

- **U.S. v. Zions First National Bancorp** (Bank antitrust case)
- **First National Bank of LaMarque v. Smith** (Bank enforcement case)
- **M&M Leasing v. Seattle First National Bank** (Auto leasing authorization for banks)

Regulatory Enforcement

- **Negotiation of a Consent Order** between Melrose Credit Union and the NY State Department of Financial Institutions and NCUA.
- **Negotiation of a Consent Agreement** between State Bank and the FDIC.
- Advice regarding the Consent Orders with the OCC and OTS related to the National Mortgage Settlement impacting the 1**4 largest U.S. mortgage servicers**.
- Defense of **Freddie Mac**'s COO against the SEC, the Office of Federal Housing Enterprise Oversight, the Department of Labor, the Federal Election Commission and the Department of Justice with regard to alleged accounting and governance irregularities.
- **Whitney Bank**'s defense and consent to a C&D with the OCC with regard to the Bank Secrecy Act and Anti-Money Laundering.
- **Commerce Bank/Harrisburg, N.A.'s** Consent Order with the OCC.
- **Anchor Bank**'s bank secrecy/anti-money laundering investigation and C&D.
- **American Savings Bank** in connection with bank secrecy issues and investigations by federal bank regulators, FinCEN and the Department of Justice.
- **R&G Financial Inc**.'s proceedings brought by the Federal Reserve Bank, the FDIC and the Commonwealth of Puerto Rico regarding accounting irregularities.
- **NorCrown Bank**'s Consent Order with the Federal Reserve Board regarding alleged Bank Holding Company Act violations.
- **Tier One Bank** with regard to a formal bank regulatory investigation and enforcement proceeding involving TierOne Bank and related parties.

GSE-Related Representations

- A GSE with regard to its authority to offer a mortgage program.
- Representation of **GSE securities holder** with regard to conservatorship-related issues.
- Challenge to the conservatorship of Fannie Mae and Freddie Mac **on behalf of amici** in Perry Capital v. Jacob J. Lew.
- Defense on behalf of **Freddie Mac**'s COO against the SEC, the Office of Federal Housing Enterprise Oversight, the Department of Labor, the Federal Election Commission and the Department of Justice with regard to alleged accounting and governance irregularities.
- The **Federal Home Loan Bank of Chicago** with regard to a formal enforcement proceeding brought by the Federal Housing Finance Board.
- The **Federal Home Loan Bank of Seattle** with regard to an enforcement proceeding brought by the Federal Housing Finance Board.
- **A homebuilder's response** to notice of potential inclusion on Freddie Mac's " exclusionary list."
- **A property and casualty insurance company** seeking to continue writing insurance business despite failing to maintain adequate ratings under Fannie Mae and Freddie Mac' s requirements.

Fair Lending Cases

- Represented **First National Bank of Dona Dan Bank** with regard to a fair lending challenge and settlement with the Department of Justice.

- Represented **First National Bank of Vicksburg** with regard to a fair lending enforcement matter.
- Representation of a national bank with regard to a fair lending investigation by the Department of Justice.

D&O Litigation

- Representation of an exxutive of **Doral Bank** with regard to potential claims.
- Settlement of **FDIC-threatened D&O** suit arising out of the failure of First Chicago Bank & Trust.
- **Freddie Mac** COO's defense against multiple litigations initiated by shareholders with regard to alleged accounting and governance irregularities.
- The FDIC and the Department of Justice's parallel criminal actions against **the former chairman of a South Carolina failed bank**.
- The FDIC's threatened suit against **the board of directors of a failed West Virginia bank** and the resulting settlement negotiations.

FSOC & FSB Representations

- Representation of the **U.S. Chamber of Commerce** and the **Investment Company Institute** as amicus in MetLife's challenge in federal district court and the U.S. Court of Appeals to its designation as a SIFI by FSOC.
- Representation of **a large financial services company** in the administrative challenge of FSOC SIFI designation rules.
- Representation of **a large trade association** in filing comments with regard to the FSOC SIFI designation rules.
- Representation of **an insurance company** through the FSOC designation process, submission of arguments and designation appeal.
- Representation of **large financial services companies** with regard to potential designation by FSOC as SIFIs.
- Representation of **two large trade associations** in filing comments with FSOC with regard to its money market fund recommendations under Section 120 of the Dodd-Frank Act.
- Representation of **a large trade association** with regard to comments concerning OFR's Report on the potential designation of asset management firms.
- Representation of **a large asset management company** with regard to filing comments concerning FSB's methodology on the potential designation of asset management firms.

Receivership Challenges and Creditor Representations

- **Washington Mutual Bank**'s FDIC receivership litigation.Washington Mutual Inc.'s bankruptcy and litigation.
- **Downey Savings Bank**'s FDIC receivership and the bankruptcy of its parent, Downey Financial Corp.
- **Colonial Bank**'s FDIC receivership and the bankruptcy of its parent, Colonial Bank Group , Inc.Guaranty Savings Bank's FDIC receivership and the bankruptcy of its parent, Guaranty Financial Group, Inc.

Includes matters handled at Dechert or prior to joining the firm.

EDUCATION

- Cathedral College, B.A., 1971, *cum laude*
- Brooklyn Law School, J.D., 1976, *cum laude,* Moot Court Honor Society

ADMISSIONS

- District of Columbia
- New York
- Supreme Court of the United States
- United States Court of Appeals for the Fourth Circuit
- United States Court of Appeals for the Fifth Circuit
- United States Court of Appeals for the Ninth Circuit
- United States Court of Appeals for the District of Columbia Circuit
- United States District Court for the District of Columbia